



6450-01-P

## DEPARTMENT OF ENERGY

Southwestern Power Administration

### Sam Rayburn Dam Power Rate

**AGENCY:** Southwestern Power Administration, DOE.

**ACTION:** Notice of public review and comment.

**SUMMARY:** The current Sam Rayburn Dam Project rate was approved by the Federal Energy Regulatory Commission (FERC) on March 30, 2009, Docket No. EF09-4021-000, 126 FERC ¶ 62,224. These rates became effective for the period January 1, 2009, through September 30, 2012. The rate was extended by the Deputy Secretary of Energy for the period October 1, 2012 through September 30, 2013 (77 FR 67813, November 14, 2012). The Administrator, Southwestern Power Administration (Southwestern), has prepared Current and Revised 2013 Power Repayment Studies which show the need for an increase in annual revenues of \$280,248 (7.1 percent) to meet cost recovery criteria. Such increased revenues are needed primarily to recover cost increases to investments and replacements in the hydroelectric generating facilities and small increases to annual operations and maintenance costs by the U.S. Army Corps of Engineers. The Administrator of Southwestern has developed a proposed Sam Rayburn Dam rate to recover the required revenues. The Revised 2013 Study indicates that the proposed rates would increase annual system revenues approximately 7.1 percent, from \$3,949,872 to \$4,230,120, effective October 1, 2013 through September 30, 2017.

**DATES:** The consultation and comment period will begin on the date of publication of this Federal Register notice and will end on ***[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION OF THIS FEDERAL REGISTER NOTICE]***. If requested, a combined Public Information and Comment Forum (Forum) will be held in Tulsa, Oklahoma at 9:00 a.m. on August 27, 2013. Persons desiring the Forum to be held must send a written request for such Forum to Mr. James K. McDonald (see **FOR FURTHER INFORMATION CONTACT**) by ***[INSERT DATE 7 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]***. If no request is received, the Forum will not be held.

**ADDRESS:** Requests for the Forum to be held may be sent by letter, email or facsimile transmission to: Mr. James K. McDonald (see **FOR FURTHER INFORMATION CONTACT**). If requested, the Forum will be held in Southwestern's offices, Room 1460, Williams Center Tower I, One West Third Street, Tulsa, Oklahoma 74103.

**FOR FURTHER INFORMATION CONTACT:** Mr. James K. McDonald, Vice President for Corporate Operations/Chief Operating Officer, Southwestern Power Administration, U.S. Department of Energy, One West Third Street, Tulsa, Oklahoma 74103, (918) 595-6690 (office), 918-595-6656 (fax), [jim.mcdonald@swpa.gov](mailto:jim.mcdonald@swpa.gov).

**SUPPLEMENTARY INFORMATION:** Originally established by Secretarial Order No. 1865, dated August 31, 1943, Southwestern is an agency within the U.S. Department of Energy created by the Department of Energy Organization Act, P.L. 95-91, dated August 4, 1977. Guidelines for preparation of power repayment studies are included in DOE Order No. RA 6120.2 entitled Power Marketing Administration Financial Reporting. Procedures for public participation in power and transmission rate adjustments of the

Power Marketing Administrations are found at title 10, part 903, subpart A of the Code of Federal Regulations (10 CFR 903). Procedures for the confirmation and approval of rates for the Federal Power Marketing Administrations are found at title 18, subchapter L, part 300, of the Code of Federal Regulations (18 CFR 300).

Southwestern markets power from 24 multi-purpose reservoir projects, with hydroelectric power facilities constructed and operated by the U.S. Army Corps of Engineers. These projects are located in the states of Arkansas, Missouri, Oklahoma, and Texas. Southwestern's marketing area includes these states plus Kansas and Louisiana. The costs associated with the hydropower facilities of 22 of the 24 projects are repaid via revenues received under the Integrated System rates, as are Southwestern's transmission facilities that consist of 1,380 miles of high-voltage transmission lines, 25 substations, and 46 microwave and VHF radio sites. Costs associated with the Sam Rayburn and Robert D. Willis Dams, two projects that are isolated hydraulically, electrically, and financially from the Integrated System, are repaid by separate rate schedules.

Following Department of Energy guidelines, Southwestern prepared a 2013 Current Power Repayment Study using the existing Sam Rayburn Dam rate. This study indicates that Southwestern's legal requirement to repay the investment in the power generating facility for power and energy marketed by Southwestern will not be met without an increase in revenues. The need for increased revenues is primarily due to increases in U.S. Army Corps of Engineers' replacement investment in the hydroelectric generating facilities and small increases to operations and maintenance expenses at the project. The 2013 Revised Power Repayment Study shows that an increase in

annual revenue of \$280,248 (7.1 percent), beginning October 1, 2013, is needed to satisfy repayment criteria.

Southwestern customers and other interested parties may receive copies of the Sam Rayburn Dam Power Repayment Studies and the proposed rate schedule. If you desire a copy of the Sam Rayburn Dam Power Repayment Data Package with the proposed Rate Schedule, submit your request to Mr. James K. McDonald (see **FOR FURTHER INFORMATION CONTACT**).

A Public Information and Comment Forum (Forum) is tentatively scheduled to be held on August 27, 2013 to explain to customers and interested parties the proposed rate and supporting studies and to allow for comment. A chairman, who will be responsible for orderly procedure, will conduct the Forum if a Forum is requested. Questions concerning the rate, studies, and information presented at the Forum will be answered, to the extent possible, at the Forum. Questions not answered at the Forum will be answered in writing. Questions involving voluminous data contained in Southwestern's records may best be answered by consultation and review of pertinent records at Southwestern's offices.

Persons requesting a Forum be held should indicate in writing to Mr. James K. McDonald (see **FOR FURTHER INFORMATION CONTACT**) by letter, email, or facsimile transmission by ***[INSERT DATE 7 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]***, their request for such a Forum. If no request is received, the Forum will not be held.

Persons interested in speaking at the Forum, if held, should submit a request to Mr. James K. McDonald (see **FOR FURTHER INFORMATION CONTACT**), at least

seven (7) calendar days prior to the Forum so that a list of speakers can be developed. The chairman may allow others to speak if time permits.

A transcript of the Forum, if held, will be made. Copies of the transcript and all documents introduced will be available for review at Southwestern's offices (see **ADDRESSES**) during normal business hours. Copies of the transcript and all documents introduced may be obtained, for a fee, directly from the transcribing service.

All written comments on the proposed Sam Rayburn Dam Rate are due on or before ***[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION OF THIS FEDERAL REGISTER NOTICE]***. Comments should be submitted to Mr. James K. McDonald (see **FOR FURTHER INFORMATION CONTACT**).

Following review of the oral and written comments and the information gathered during the course of the proceedings, the Administrator will submit the final Sam Rayburn Dam Rate Proposal and power repayment studies in support of the proposed rate to the Deputy Secretary of Energy for confirmation and approval on an interim basis, and subsequently to the FERC for confirmation and approval on a final basis. The FERC will allow the public an opportunity to provide written comments on the proposed rate increase before making a final decision.

Dated: July 30, 2013

Christopher M. Turner  
Administrator

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